

The International Brotherhood of Electrical Workers

Testimony to the Labor Committee

in Opposition to HB 5311 and HB 5401

March 13th, 2012

Senator Prague, Representative Zalaski, and members of the Labor Committee, my name is John Lurate and I am here today to speak in opposition to two bills, House Bill 5311 An Act Concerning Public Works Projects that are Privately Funded and House Bill 5401 An Act Concerning Leasebacks and the Prevailing Wage Threshold.

The IBEW represents over 6,000 electrical journeymen and apprentices who benefit every year from Connecticut's prevailing wage laws. Last year, this committee raised a bill that would have increased the prevailing wage threshold on public works projects, and we are extremely thankful to the committee for not acting on that proposal. While one of the bills before you today does not outwardly increase the threshold, it does limit the number of projects for which it would apply, and the other increases the threshold temporarily. The IBEW feels each bill sets a very negative precedent and puts the potential for a rebound in the construction job market in jeopardy. Many studies have shown there are numerous benefits to prevailing wage laws, including, but certainly not limited to, those mentioned below:

*Prevailing wage laws help to create jobs by offering decent wages to attract skilled workers and help to support apprenticeship programs.

*Prevailing wage laws bolster the local economy by paying workers attractive and competitive wages which are then returned to the state's economy through the purchases of homes and the use of area businesses. Studies have shown that each dollar paid in prevailing wages produces \$1.50 in economic activity.

*Prevailing wage laws actually help to control construction costs because workers on projects that pay the prevailing rate produce 13-15% more value-added per worker than those on non-prevailing rate projects.

Also of note, the legislature's Office of Legislative Research did a study not too long ago, which shows clearly that Connecticut's prevailing wage thresholds are not outrageous in comparison to neighboring states and the rest of the country. This study showed that of the 32 states in the country that have prevailing wage laws, Connecticut's threshold is second only to Maryland in terms of how high it is. More importantly, of the surrounding states, Massachusetts and New York do not have a threshold at all, and Rhode Island, New Jersey, Vermont, and Maine all have thresholds significantly lower than ours.

For the many reasons I have listed above, I respectfully encourage the committee to reject any proposals to alter our state's current prevailing wage laws. Thank you for your time and attention to this matter.